



December 10, 2004

Westerly auto dealer pleads guilty to money laundering charges

Renato M. Garcia, 35, of East Haddam, Connecticut, pleaded guilty today to federal money laundering charges, admitting that he structured vehicle sales at his Westerly auto dealership to disguise purported drug proceeds. Federal agents and local police arrested Garcia in May at his dealership, Renskip Motor Sales, after he doctored the sale price of three vehicles that he sold to a man representing himself as a drug dealer with cash to conceal.

United States Attorney Robert Clark Corrente announced the guilty plea, which Garcia entered before Chief U.S. District Court Judge Ernest C. Torres in U.S. District Court, Providence. As a condition of his guilty plea, Garcia will forfeit to the government the dealership, 42 vehicles, two parcels of real estate he owns on Main Street, Westerly, and \$414,078.

At the plea hearing, Assistant U.S. Attorney Stephen G. Dambruch said that, had the case gone to trial, the government would have proven that on three occasions this year – March 6, March 20, and April 2 – Garcia sold vehicles for cash to a man representing himself as a marijuana and cocaine dealer. He sold the man motor vehicles for cash at prices ranging from \$15,000 to \$17,500 but on each occasion recorded the sale price as under \$10,000. Transactions of \$10,000 or more must be reported to the United States Government.

During one of the sales, Garcia recommended ways of constructing hiding places in vehicles in which to stash drugs.

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Garcia, of 32 East Haddam Colchester Turnpike, East Haddam, pleaded guilty to three counts of one form of money laundering – conducting financial transactions involving property represented as the proceeds of unlawful activity and structuring those transactions to avoid the federal reporting requirement.

The statutory maximum penalty for each count is 20 years in federal prison and a fine of \$250,000 or twice the amount of gain or loss. Federal sentencing is determined on the basis of guidelines that rely on such factors as the specific nature of an offense and a defendant's criminal background, if any. Garcia is scheduled to be sentenced on February 25. Since his arrest on May 25, he has been detained at the Wyatt Federal Detention Center, Central Falls.

Garcia will forfeit assets that were linked to his money laundering activities – the dealership, located at 85 Main Street, Westerly, 42 vehicles belonging to the dealership, and money seized by agents the day Garcia was arrested – \$128,800 from his home and \$285,278 from a Citizens bank account. He will also forfeit another parcel of property at 201 Main Street, Westerly.

The case resulted from a multi-agency investigation by **Westerly and Hopkinton Police**, the **Drug Enforcement Administration (DEA)**, the **Internal Revenue Service Criminal Investigations (IRS-CI)**, and the **Bureau of Immigration and Customs Enforcement (ICE)**. Investigators from the **Rhode Island Adult Correctional Institutions** and the **Rhode Island Division of Motor Vehicles, Enforcement Division** provided assistance to the investigation.

Assistant U.S. Attorneys Dambruch and Michael P. Iannotti are prosecuting the case.